

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

April 6, 1999

**FROM: CAROL T. SHEARER**  
Acting County Administrative Officer

**SUBJECT: BUDGET ADJUSTMENTS FOR HEALTH CARE COSTS**

**RECOMMENDATION:** Increase appropriations and revenues in the health care costs budget unit (Fund: General AAA HCC) by \$15,000,000.

**BACKGROUND INFORMATION:** On June 30, 1998, the Board of Supervisors adopted the final budget. As part of that action, the Board appropriated \$75,000,000 of expense and recognized \$75,000,000 of revenue in the health care costs budget unit (Fund: General AAA HCC). The appropriations and revenues in this budget unit represent the intergovernmental transfers (appropriation) and the receipts to cover those transfers (revenue) for the SB 855 and SB 1255 indigent health programs, as well as the Medi-Cal Medical Education Supplemental Payment Fund. These programs, all of which distribute federal health care funds, require participating counties to make intergovernmental transfers to the state to fund the required state match. The amounts are subject to change at the state level depending on participation statewide, and thus, can only be estimated at the time of final budget adoption.

State law requires that the intergovernmental transfers be made from the county general fund. The general fund is reimbursed for 100% of its costs, with any program revenues in excess of the intergovernmental transfer amount going to the County Medical Center to cover indigent health program costs.

**REASON FOR RECOMMENDATION:** The required intergovernmental transfer amount will be approximately 20% above the final budget estimate. This is due to increases required for the SB 1255 and the Medical Education portions of the program. Appropriations must be adjusted to give the Auditor/Controller authority to transfer the required funds. Funds must be transferred by April 15, 1999, in order to receive monies under the various programs by the end of the fiscal year. While the negotiations are ongoing as to the exact transfer amount needed, the authority requested will cover all possible outcomes of the negotiations.

**REVIEW BY OTHERS:** This action has been reviewed by County Counsel and Auditor/Controller.

**FINANCIAL IMPACT:** There is no general fund fiscal impact as all transfer amounts, including any interest, are returned back to the general fund. This action raises the appropriation and revenue amounts to \$90,000,000 from the original \$75,000,000.

**SUPERVISORIAL DISTRICT(S):** All

**PRESENTER:** CAROL SHEARER

Record of Action of the Board of Supervisors